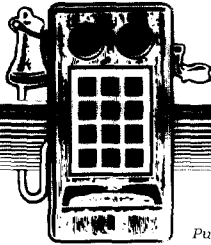


Communications Central Inc.



Public Telecommunications

RECEIVED

JUN 28 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

June 28, 1996

Via Hand Delivery

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street NW, Room 222
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: In the Matter of Implementation of the Pay Telephone
Reclassification and Compensation Provisions of the
Telecommunications Act of 1996, CC Docket No. 96-128

Notice of Proposed Rulemaking, FCC 96-254

Dear Mr. Caton:

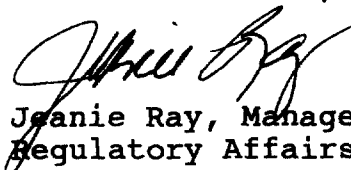
Enclosed for filing are the original plus fourteen (14)
copies of the **Comments of InVision Telecom, Inc.** in the above
NPRM.

By copy of this letter, two copies of the Comments, along
with an electronic version on disk, are being submitted directly
to the Common Carrier Bureau Enforcement Division.

Should the Commission need any additional information
regarding this filing, please contact the undersigned at 1-800-
652-0774.

Sincerely,

INVISION TELECOM, INC.


Jeanie Ray, Manager,
Regulatory Affairs

No. of Copies rec'd 0+14
List ABCDE

cc: Barry E. Selvidge, Vice President,
Regulatory Affairs and General Counsel

Robert E. Bowling, Vice President,
Operations and General Manager, InVision

FEDERAL COMMUNICATIONS COMMISSION

Comments of InVision Telecom, Inc.

CC Docket No. 96-128
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JUN 28 1996

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Implementation of the)
Pay Telephone Reclassification and)
Compensation Provisions of the)
Telecommunications Act of 1996)

CC Docket No. 96-128

**COMMENTS OF INVISON TELECOM, INC. TO
NOTICE OF PROPOSED RULEMAKING**

I. INTRODUCTION

InVision Telecom, Inc. ("InVision") respectfully submits its comments in response to the Notice of Proposed Rulemaking, FCC 96-254, released June 6, 1996 in the above captioned docket (the "Notice") by the Federal Communications Commission (the "Commission").

InVision is a wholly-owned subsidiary of Communications Central Inc., a public corporation whose stock is traded on the Nasdaq National Market System. InVision provides inmate-only telephone services from confinement facilities throughout the United States and is the largest independent inmate service provider in the country.¹ InVision currently operates approximately 5300 inmate phones in over 500 confinement facilities

¹Excluding Local Exchange Companies and Interexchange Carriers.

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Comments of InVision Telecom, Inc.

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located in 35 states. InVision provides inmate telephone service primarily from county or city jails.

II. SUMMARY OF ISSUES

Section 276 of the Telecommunications Act of 1996² directs the Commission to take all action necessary to "promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public[.]"³ Among its directives, the Commission is charged with establishing a per-call compensation mechanism to ensure "that all payphone service providers are fairly compensated for each and every completed intrastate and interstate call" from their payphones.⁴ The 1996 Act defines "payphone service" as the "provision of public or semi-public pay telephones, the provision of inmate telephone service in correctional institutions, and any ancillary services."⁵

In its Notice, the Commission tentatively concludes that its mandate under Section 276(b)(1)(A) is to "ensure that [payphone providers] are 'fairly compensated' for 'each and every completed

²Pub. L. No. 104-104, 110 Stat. 56 (1996) (codified at 47 U.S.C. § 276) (the "1996 Act").

³47 U.S.C. § 276(b).

⁴47 U.S.C. § 276(b)(1)(A).

⁵47 U.S.C. § 276(d).

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intrastate and interstate call' regardless of whether the [provider] currently receives compensation for the particular call originated by its payphone." The Commission further tentatively concludes that it should "use this mandate to prescribe compensation only when payphone providers are not already 'fairly compensated'" and seeks comment on these tentative conclusions.⁶

InVision respectfully submits that inmate telephone service providers are not fairly compensated for calls they provide, and that the Commission should prescribe per-call compensation for inmate telephone calls. Furthermore, if the Commission adopts a benchmark rate structure for interstate inmate telephone calls as presently contemplated in Docket No. 92-77⁷, the issue of fair compensation for "each and every completed intrastate and interstate call" becomes even more critical with respect to inmate telephone service.

III. BACKGROUND

Standard Collect telephone calls provided for the general public consist of two functions: transmission and operator service, each of which is represented by a separate charge. Inmate calls incorporate both of those functions, plus a third element

⁶Notice at 10.

⁷In the Matter of Billed Party Preference for InterLATA 0+ Calls, CC Docket No. 92-77, Second Further Notice of Proposed Rulemaking, FCC 96-253 (rel. June 6, 1996).

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attributable to the higher cost of providing inmate calls. The higher cost results from: 1) the greater cost of providing service that meets the needs of the confinement facilities, the called parties and the inmates; and, 2) the higher incidence of fraud and bad debt borne by independent inmate telephone service providers.

1) Cost to provide service. Because the integrity of the confinement facility and the safety of the public are paramount concerns in this unique environment, the inmate service provider must provide and support an intelligent telephone system that performs many extraordinary functions. These functions are provided at the discretion of the confinement facility administration to preserve the security of the facility and to reduce fraud and harassment committed by inmates against the public. Attached as Exhibit A is a listing of special functions typically required of inmate telephone systems.

2) Fraud and bad debt. The incidence of fraud in the inmate market is significantly greater than fraud for operator-assisted calls provided to the general public. This results in a greater bad debt expense to the independent inmate service provider, i.e., calls provided in reliance on the called party's agreement to pay the charges are subsequently not paid. For example, InVision's bad debt from inmate calls averages approximately 15 percent. By comparison, the bad debt of InVision's parent company, Communications Central Inc., the country's second largest

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independent public payphone provider, is approximately 6 percent of operator service calls placed from its payphones by the general public. The attached Exhibit B outlines InVision's cost structure on a per-line basis for the month of April 1996, and reflects that InVision's bad debt was 16 percent for that month.

IV. PROPOSAL

The Commission and some state regulatory agencies have recognized the higher cost of providing inmate telephone service by allowing higher operator service charges for services such as AT&T's Prison Collect with Controls and MCI's Maximum Security Collect. Consistent with its mandate under Section 276(b)(1)(a) of the 1996 Act, the Commission should prescribe a per-call compensation mechanism that ensures such compensation can be collected by all inmate service providers on "each and every completed intrastate and interstate call." InVision believes that an appropriate per-call fee is \$.90. This amount represents the difference between AT&T's operator charge for standard collect calls (\$2.10) and its operator service charge for inmate calls (\$3.00) at the time its Prison Collect with Controls Service was filed with the Commission.

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V. CONCLUSION

Competition in the inmate telephone service industry has rendered vast technological advances as outlined on the attached Exhibit A. These advances have enabled administrators to preserve the security of the confinement facility and protect the public while greatly increasing the availability of phones to the inmates. Ensuring fair compensation for every intrastate and interstate inmate telephone call will enable inmate service providers to continue the widespread deployment of payphones, in accordance with Congressional mandate. InVision respectfully requests that the Commission take such action in a manner consistent with the comments and specific recommendations made herein.

RESPECTFULLY SUBMITTED,

INVISION TELECOM, INC.

BY: C. Douglas McKeever
C. DOUGLAS MCKEEVER
Vice President - Finance

InVision Telecom, Inc.
1150 Northmeadow Parkway
Suite 118
Roswell, Georgia 30076

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EXHIBIT A

Special functions typically required of inmate telephone systems:

- ° Allowing specific types of calls
 - ° Automated collect call only
 - ° Automated collect person to person call option
 - ° Debit call option that allows charges for calls to be deducted from the inmate's commissary account maintained by the facility
- ° Specialized branding
 - ° Bi-lingual voice prompts and announcements
 - ° Custom announcements that may identify the call as being from a confinement facility and may include the name of the facility
- ° Automated options for the called party, activated by pressing a number on the telephone keypad as instructed by voice prompt
 - ° Rate quotes
 - ° Ability to block collect calls from the facility
- ° Blocking of certain calls
 - ° Specific telephone numbers of persons who do not wish to be called by an inmate, at the request of the facility administrator or the called party, including judges, witnesses and facility personnel
 - ° Telephone numbers that allow access to the public telephone network, including 800/888 numbers and carrier access numbers
 - ° Incoming calls
 - ° International calls
 - ° Service bureau calls (911, 411, 555-1212)
- ° Three-way call detection to prevent calls to blocked telephone numbers
- ° Free calls, e.g., to public defenders
- ° Limitations as deemed appropriate by the administration
 - ° Call duration limits
 - ° Time of day access limits
- ° A PIN code system that enables facility administrators to identify inmates
- ° An on-site host or central processor with failure safeguards

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- ° Monitoring system as defined by facility administration
 - ° Ability to alert facility personnel that a pre-defined situation is occurring
 - ° Compatibility with recording and monitoring equipment that may be used by the confinement facility

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EXHIBIT B

Apr-96

Per Inmate Line

Revenue	\$892	100%
Costs:		
Telephone Charges	\$218	24%
Billing & Collection; Validation	\$75	8%
Commissions to Facility Provider	\$216	24%
Bad Debt	\$143	16%
Expenses-salaries, maintenance, overhead	\$87	10%
Earnings prior to Interest, Taxes, & Depreciation	\$153	17%
Depreciation & Amortization	\$60	7%
Interest	\$69	8%
Profit before Taxes	\$24	3%